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ARTICLES:

(1) Having lost his spirit, Prime Minister Fukuda walks away from his post; Strains with New Komeito evident; Priority policies reach impasse

MAINICHI (Page 3) (Abridged slightly)
September 2, 2008

Having lost his drive, Prime Minister Yasuo Fukuda abruptly announced last night his decision to step down ahead of the next extraordinary Diet session, scheduled to convene on Sept. 12. Ever since taking office after former Prime Minister Shinzo Abe "walked off the job," Fukuda has been struggling amid sagging support ratings. He has also been stigmatized by the ruling coalition as unfit to be the banner carrier for the next Lower House election. The major opposition Democratic Party of Japan has intensified its confrontational stance toward the government. Discord with the New Komeito over the management of the administration has become noticeable.

Around 6 p.m. yesterday, after returning from Osaka, where he visited to participate in the National Disaster Prevention Day

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event, the Prime Minister called LDP Secretary General Taro Aso and Chief Cabinet Secretary Nobutaka Machimura to his office.

Their meeting lasted one hour and 10 minutes. Aso and Machimura tried to dissuade Fukuda from resigning, but he rejected their advice, saying, "I have made up my mind." Fukuda held a press conference two hours later in which he crisply said: "I have made up my mind after seriously considering how politics should be. I made the final decision last weekend."

His decision "last weekend" was taken seriously within the LDP.

In response to soaring crude oil and other commodity prices, the government and ruling coalition decided on a package of economic stimulus measures on Aug. 29 including a flat-sum tax cut in compliance with the New Komeito's request. Although Fukuda was cautious about the fixed-rate tax breaks on income and resident taxes from the viewpoint of fiscal discipline, he eventually gave in to the New Komeito's request.

After the July Lake Toya summit, the New Komeito began to distance itself from the Prime Minister, some leaders complaining that their party would not be able to put up good fight in the next Lower House election under Prime Minister Fukuda. Taking the initiative in the process of determining the timeframe and the period of the next Diet session, while keeping in mind possible Lower House dissolution for a snap general election between the year-end and New Year period, the New Komeito succeeded in having the flat-sum tax cut included in the stimulus package.

A bill amending the Antiterrorism Special Measures Law to continue Japan's refueling mission in the Indian Ocean is expected to take center stage in the upcoming Diet session. But there were no signs that DPJ President Ichiro Ozawa, who is now certain to win his third term, would make any concession on the bill. Further, the fate of the refueling mission has become uncertain due to the New Komeito's reluctance to use a two-thirds overriding vote in the House of Representatives.

A bill to set up a Consumer Affairs Agency, one of the prime minister's top priorities, is also deadlocked.

Former Economy, Trade and Industry Minister Akira Amari, who is close to Aso, has recently referred to the possibility of unseating

Fukuda, and former LDP Policy Research Council Chairman Shoichi Nakagawa criticized Fukuda as a prime minister who does nothing. The view was prevalent that such moves were linked to the New Komeito's alienation from Fukuda.

A former LDP cabinet minister presumed Fukuda's frame of mind was this way: "The New Komeito gave Fukuda the coup de grace after the DPJ relentlessly bullied him. Fukuda felt he had no other option but to resign."

Fukuda reportedly explored ways to dissolve the Lower House after the FY2009 budget clears the Diet. Nevertheless, given the political situation where his administration was being encircled by the opposition bloc, Fukuda felt that it was impossible for him to steer his administration.

(2) Prime minister to leave office without policy agenda unfilled:
Fate of supplementary budget unknown; Only sets direction for

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reallocation of special road-construction funds

ASAHI (Page 6) (Full)
September 2, 2008

The fate of the government's economic stimulus package has become unclear due to Prime Minister Fukuda's sudden announcement of his intention to step down from his post. How can the package adopted late last month now be realized? Fukuda said in his resignation statement that he was able to set a direction for the reallocation of special road-construction funds for other uses and for the establishment of a consumer agency. However, his efforts so far to complete this agenda have been half-baked. Many items, including a consumption tax hike as a means finance social security, have been left for later discussion. The resignation of Prime Minister Fukuda could become a turning point for the structural reform line adopted during the Koizumi administration.

In a bid to address the economic downturn, the government on August 29 adopted a comprehensive economic stimulus package consisting of 1.8 trillion yen in fiscal spending funded from the fiscal 2008 supplementary budget and 11.7 trillion yen worth of projects. His announcement came right after the package had been completed. One Finance Ministry Official, looking dismayed, said, "I have no idea what will happen from now."

Pressure for pork-barrel spending will likely mount, with an eye on the next Lower House election. The trend of moving away from the Koizumi reform policy line could accelerate.

The prime minister had ruled out the possibility of issuing deficit-covering bonds, insisting that the goal of moving the primary balance into the black by fiscal 2011 must be achieved. Secretary General Taro Aso, who has been tipped as the most likely candidate to replace Fukuda, said, "Until the economy picks up, there is no other way than using fiscal disbursements." There is thus a possibility of the new administration actively mobilizing fiscal expenditures.

Even though Prime Minister Fukuda during a press conference on the 1st said that he had set a direction for the reallocation of special road funds for other uses, a final settlement has yet to be reached. He intends to do away with the mechanism of gas tax revenues automatically diverted to cover expenses for road construction so that the revenues can be used for other purposes. However, deciding on the amount of road budget funds to slashed for reallocation for other uses has been delayed until the year-end compilation of the budget. Because the prime minister was the one who adopted that policy, brushing aside objections from the ruling camp, the road policy clique in the Liberal Democratic Party (LDP) can be expected to try to roll back the move to free up special road-construction funds.

Regarding future economic stimulus measures, Ryutaro Kono, chief economist at the BNP Paribas predicted: "Many market players see the economic stimulus package as pork barrel. In order to spur growth

over the mid- to long-term, deregulation and measures to lure foreign investment instead of tax cuts or fiscal disbursements are necessary. I am worried that the new cabinet might tilt toward turning budget money into pork-barrel largesse."

What will become of a consumption tax hike, establishment of

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consumer agency?

Regarding social security policy, Prime Minister Fukuda took a stance of positively addressing urgent items on the agenda, including measures to deal with the elderly, a shortage of doctors, and employment issues. However, regarding the goal of constraining social security spending by 1.1 trillion yen over five years, no prospects have been obtained for ways to achieve a 220 billion yen cut in fiscal 2009.

In specific areas, there are many issues to be addressed. State contributions to the basic pension are set to be raised starting in fiscal 2009. It will cost 2.3 trillion yen to finance this policy. However, no decision has been made yet on a consumption tax hike, the most likely measure to be adopted. The government and the ruling parties plan to consider fundamentally reforming the tax code, including the consumption tax, starting in the fall. The Liberal Democratic Party (LDP) had planned to hold a meeting of its Tax System Research Commission this week. Many government officials take the stand that if a political vacuum occurs, it would be impossible to discuss measures that ask the public to bear more of a burden.

Regarding such issues as a shortage of doctors and emergency medical service, the government had decided to increase the enrollment limit to medical departments at universities up to the largest-ever 8,300, starting from the next fiscal year. However, discussions on specific measures were to be pursued in the future.

As a measure to address the working-poor issue, the prime minister had ordered the drafting of a bill amending the Worker Dispatch Law at an early date. In response, the labor ministry had intended to submit such a bill before the end of October in the extraordinary Diet session. However, the effort could be wasted, depending on the situation in the Diet. The prime minister had been enthusiastic about establishing a consumer agency. However, the proposal is now in danger of being killed.

The government had been preparing to submit a bill to set up a consumer agency to the extraordinary Diet session to be convened this month. The Democratic Party of Japan (DPJ or Minshuto) in late August released the outline of a countermeasure to establish a consumer interest authority that is independent of government agencies. It has been anticipated that passage of the government-sponsored bill would require a revote in the Lower House. However, the New Komeito is presumably negative toward the idea of holding a revote on the bill.

There is also a possibility of Fukuda's resignation affecting the fate of environment measures. When he chaired the Lake Toya Summit, the prime minister released the Fukuda Vision, a package of proposals featuring cutting Japan's greenhouse gas emissions by 60 PERCENT -80 PERCENT from the present level by 2050. He was determined to display leadership in negotiations to set the next-term framework that will replace the Kyoto Protocol, by calling for the sharing of the achievements made at the G-8, including a 50 PERCENT carbon emissions cut. However, his sudden resignation could serve as a negative factor for Japan exerting an influence.

(3) Editorial: Fukuda government reaches cul de sac as it fails to come up with strategy for Lower House dissolution

NIKKEI (Page 2) (Full)

TOKYO 00002392 005 OF 014

September 2, 2008

Prime Minister Yasuo Fukuda suddenly held a press conference and announced his intention to resign from his post. He said: "Now is the best time for me to step down so that a political vacuum will not be created. I thought it would be good for someone not myself to serve in the prime minister's post." He revealed that he had chosen yesterday to announce his resignation before the opening of the upcoming extraordinary Diet session. The Fukuda administration has reached an impasse because the Prime Minister has failed to come up with a strategy for dissolving the House of Representatives.

New premier should dissolve Lower House as early as possible

Under the current politically difficult situation with the Diet divided between the ruling and opposition camps, in order to stabilize his administration, Fukuda felt out the possibility of forming a grand coalition with the main opposition Democratic Party of Japan (DPJ). After this notion hit a snag, he has been busy handling bills in a Diet session. According to the results of the latest Nikkei poll, the Fukuda cabinet's approval rate dropped to 29 PERCENT from the 38 PERCENT of the previous poll, which was conducted soon before the cabinet shakeup. Therefore, the prevailing view in the ruling bloc was that lawmakers would not be able to campaign the Lower House election under Fukuda. There was concern that the move of unseating Fukuda out of alarm about the next Lower House election would have surfaced.

The New Komeito, which has called for dissolution of the Lower House and a snap election before the end of the year or early next year, began to take a severe stance toward the Fukuda administration. There was constant discord between Fukuda and the New Komeito over when to convene the extra session, as well as over the length of the term of the session.

Fukuda expressed his desire to enact during the extra session a bill extending Japan's refueling mission in the Indian Ocean and legislation to establish a consumer affairs agency. The DPJ, however, has maintained its policy of opposing an extension of the refueling law. Therefore, in a bid to extend the refueling law, the ruling coalition had no other choice but to take a two-thirds overriding vote in the Lower House. The New Komeito opposed it, however. Given that the situation, Fukuda would have had to deal with bills in the extra session without the cooperation of the New Komeito.

The possibility was high that Fukuda, unable to break the deadlock, would have been forced to resign as prime minister soon or later, in our view. It is understandable that Fukuda decided to step down before the opening of the extra session to keep the political vacuum to a minimum.

Former Prime Minister Shinzo Abe, Fukuda's predecessor, gave up on his post after serving in his post just one year. Fukuda will step down from the prime minister's post in less than one year without asking for a vote of confidence through a Lower House election. It is an extremely abnormal situation that a third prime minister will come into existence due to the rotation of political power in the ruling camp.

Prior to his press conference last night, Fukuda told LDP Secretary General Taro Aso: "I would like you to push ahead with the selection

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of a date for a presidential election and its procedure." The LDP must promptly implement the presidential race and launch a new government.

No matter who becomes prime minister, that person should receive the judgment of voters by dissolving the Lower House as quickly as possible. Carrying out the Lower House election is a shortcut to keeping a political vacuum to a minimum.

Meanwhile, DPJ President Ichiro Ozawa formally announced at a press conference that he will run for his party's leadership race. The outlook is that it will be decided on Sept. 8 whether Ozawa will be reelected for his third term uncontested and he will be reelected at the party's convention on Sept. 21. Ozawa would become the DPJ prime

ministerial candidate in the next Lower House. He expressed his intention at the convention to give a policy speech that would become the basis for his administration.

Katsuya Okada and Seiji Maehara, both DPJ vice presidents, are regarded as strong rivals to Ozawa, announced that they would not run in the race. Public Relations Committee Chairman Yoshihiko Noda gave up his candidacy due to opposition from his group, even though he expressed his desire to run in the race.

We have called on the DPJ to come up with a manifesto (set of campaign pledges) for the next Lower House election, after carrying out active policy debate during the campaign for the leadership race. It is regrettable that the DPJ squandered a good chance to promote its political presence.

Ozawa must talk about policy

Following Fukuda's announcement of his resignation, the LDP is expected to hold a presidential election quickly. Voters must not be completely satisfied with the uncontested DPJ presidential race.

Ozawa said in the press conference that there would be no change in thinking between his party's manifesto for the Lower House election and the one for last year's House of Councillors race.

However, the DPJ's manifesto for last year's Upper House election stated that most of totaling 15.3 trillion yen in fiscal resources to compensate the incomes of individual farmers and to allocate child allowance would be covered by reducing wasted tax money by public administration. It lacked persuasiveness. After that, the largest opposition party came up with new measures to abolish provisional taxes, including a gasoline tax. However, some DPJ lawmakers have criticized the new measures for lacking fiscal support.

If a DPJ-led government is inaugurated, it would deal with issues, including the compilation of a budget, based on its manifesto. Ozawa needs to talk more about policies in drafting a set of campaign pledges. He also needs to humbly listen to criticism. It is indispensable for the DPJ to make clear its priorities about its policies, after examining the set of campaign pledges for the Upper House election.

With the prime minister's announcement of his resignation, the possibility has increased that a Lower House dissolution and general election will be carried out before the end of the year. The next Lower House election will become a historic one which gives voters a

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chance to choose a new government. It is urgent for the LDP and DPJ to show their manifestos and contents that will directly link to national prosperity.

(4) Fukuda made decision secretly without even consulting his wife

MAINICHI (Page 3) (Full)
September 2, 2008

Prime Minister Yasuo Fukuda made preparations for his resignation secretly.

The prime minister said in a press conference yesterday that he had made up his mind last weekend. In reality, he reportedly made the decision earlier.

The prime minister did not reveal his intention to resign to his aides. He did not even consult his wife, Kiyoko, either.

As a result, his decision to step down did not reach beyond the Prime Minister's Office before his press conference.

Apparently feeling relieved after the news conference, the prime minister frankly told his aides: "September 1st, 2nd or 3rd was the only timing I considered for the announcement. I chose the day that (DPJ President Ichiro) Ozawa decided to run in the party leadership

race." He thus revealed his plan to overshadow the DPJ presidential race with his announcement to resign, which would then be followed by an LDP presidential race.

Fukuda also said: "Because (both the DPJ and New Komeito) are calling for the prime minister's policy speech for Sept. 29, the new prime minister should do so on Sept. 29."

(5) "I am different from Mr. Abe," says Fukuda without offering apology

MAINICHI (Page 3) (Full)
September 2, 2008

Prime Minister Yasuo Fukuda held a press conference last night to announce his abrupt decision to step down. Asked for his view about the two successive prime ministers "walking away from their administrations," Fukuda said: "This is different from the case of my predecessor, Prime Minister (Shinzo) Abe. He was suffering from ill health. I don't have any health problems."

Abe felt compelled to resign following the revelation of misconduct by some of his ministers about a month after he shuffled his cabinet to boost his administration. Fukuda's resignation, too, came about a month after he shuffled his cabinet.

Fukuda started off the news conference with the complaint: "A series of issues emerged, such as political funds, pension records, hepatitis-C, and misconduct at the Defense Ministry, and I have been busy dealing with those issues. The Democratic Party of Japan did not respond to our calls for discussion on important issues and only delayed and boycotted deliberations. It took much time to decide on anything."

Citing a decision to free up road-related revenues for general spending, he also played up his administration's achievements,

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saying: "From the people's viewpoint, my administration has started reforms that no one would touch, although in an unobtrusive manner." He continued to lament: "I wanted to do something about important matters, but there were a variety of political circumstances. It would be better for someone other than me to take the helm of government in the upcoming extraordinary Diet session."

The prime minister calmly recounted chronological events without offering an apology for the resulting political stalemate. A reporter told Fukuda, "You are reporting on matters as if they are someone else's problem." In response, Fukuda showed his temper, saying: "I am a person who can see myself objectively."

(6) Poll on Fukuda cabinet, political parties, MSDF refueling mission

ASAHI (Page 4) (Full)
September 2, 2008

Questions & Answers

(Figures shown in percentage, rounded off. Bracketed figures denote proportions to all respondents. Figures in parentheses denote the results of the last spot survey conducted Aug. 1-2.)

Q: Do you support the Fukuda cabinet?

Yes 25 (24)
No 55 (55)

Q: Why? (One reason only. Left column for those marking "yes" on previous question, and right for those saying "no.")

The prime minister is Mr. Fukuda 18(4) 6(3)
It's an LDP-led cabinet 33(8) 23(12)
From the aspect of policies 18(4) 60(33)
No particular reason 28(7) 9(5)

Q: Which political party do you support now?

Liberal Democratic Party (LDP) 26 (23)
Democratic Party of Japan (DPJ or Minshuto) 20 (22)
New Komeito (NK) 3 (4)
Japanese Communist Party (JCP) 3 (3)
Social Democratic Party (SDP or Shaminto) 1 (1)
People's New Party (PNP or Kokumin Shinto) 0 (0)
New Party Nippon (NPN or Shinto Nippon) 0 (0)
Other political parties 0 (1)
None 40 (35)
No answer (N/A) + don't know (D/K) 7 (11)

Q: Do you think the House of Representatives should be dissolved as early as possible for a general election? (Figures in parentheses denote the results of a survey taken June 14-15.)

Yes 43 (45)
No 45 (42)

Q: If you were to vote now in a general election for the House of Representatives, which political party would you like to vote for in your proportional representation bloc?

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LDP 27 (25)
DPJ 31 (32)
NK 3 (4)
JCP 4 (3)
SDP 2 (1)
PNP 0 (0)
NPN 0 (0)
Other political parties 1 (1)
N/A+D/K 32 (34)

Q: Which one between Prime Minister Ozawa and DPJ President Ozawa do you think is appropriate for prime minister? (Figures in parentheses denote the results of a survey taken July 12-13.)

Mr. Fukuda 36 (37)
Mr. Ozawa 28 (28)

Q: The government and ruling parties unveiled a package of economic stimulus measures to deal with rising prices and economic downturn. This package includes an across-the-board income tax break. Do you appreciate this uniform tax break?

Yes 35
No 46

Q: There is an opinion saying the government should issue deficit-covering bonds and compile a large-scale supplementary budget to turn the economy around. Are you in favor of this opinion?

Yes 15
No 67

Q: Do you feel badly off these days. If so, to what extent?

Very much 33
Somewhat 49
Not very much 15
Not at all 2

Q: U.S. and other foreign forces have sent fleets to the Indian Ocean to fight against terrorist groups in Afghanistan. A law intended for the Self-Defense Forces to back up their fleets there will expire in January next year. The government will present a bill to the Diet at its forthcoming session to extend this SDF mission. Do you think Japan should continue the SDF's activities in the Indian Ocean?

Yes 37
No 50

Polling methodology: The survey was conducted Aug. 30-31 over the telephone on a computer-aided random digit dialing (RDD) basis. Respondents were chosen from among the nation's voting population on a three-stage random-sampling basis. Valid answers were obtained from 2,048 persons (58 PERCENT).

(7) Summit of lower house speakers opens in Hiroshima; U.S. House of Representatives Speaker Pelosi and others lay wreathes at the Atomic Bomb Memorial Tomb

YOMIURI (Internet edition) (Full)

TOKYO 00002392 010 OF 014

September 2, 2008

The G8 meeting of lower house speakers opened this morning in Hiroshima City. This is the seventh time for the speakers' summit to be held, but it is the first time for Japan to host it. Lower House Speaker Yohei Kono, who serves as the chair for the meeting, and U.S. House of Representatives Speaker Nancy Pelosi are among the representatives from the G8 countries attending the meeting.

Prior to the opening of the session this morning, each country's speaker laid a wreath at the city's memorial to those who died in the atomic bombings. They listened to a message calling for peace from a local elementary school student. They also visited the Hiroshima Peace Memorial Museum, where the tragedy of the atomic bombings is displayed, and there, they listened to the experiences related by atomic bomb victims.

Ms. Pelosi, being next to the vice president in line for the presidency should succession be needed, is the highest seated dignitary from the United States to visit Hiroshima and the site of the atomic bombing.

Afterward, the group exchanged views on the theme, "Role of parliaments in promoting peace and disarmament," at Hiroshima's International Conference Center. Speaker Kono deepened discussion of nuclear disarmament at Hiroshima, making an appeal for international peace, but there is a likelihood that the topic of the dispute over Georgia will come up, since the confrontation between the U.S. and European countries on the one side and Russia on the other has been heightening. The afternoon session will be devoted to discussions on the theme, "Democracy in Bicameral Legislatures."

The speakers' summit is an informal meeting. Although it is customary for political statements and the like that integrates views not to be issued, after the meeting ends this evening, a press conference will be held at which Speaker Kono will summarize the summit.

(8) Essay by Asahi columnist Yoshibumi Wakamiya on the Hiroshima Summit: Next time the U.S. President should come

ASAHI (Page 11) (Slightly abridged)
September 1, 2008

On that fateful morning, then Illinois assembly member Barrack Obama was driving his car in downtown Chicago when he heard on the radio about the first airplane crashing (into the World Trade Center). By the time he reached his meeting, two more planes had crashed into buildings. He immediately got out of the car, looked to the heavens, and thinking about his country and family, was overcome by grief for the victims.

It will soon be seven years since the tragedy of 9/11, when terrorists attacked the World Trade Center and the Pentagon. "With those incidents, everything changed," Obama later said. Three years later, he became a U.S. senator, and now, he himself has completely changed, having become a presidential candidate.

That Barrack Obama, recalling the fear that 9/11 generated, came out with a statement of his thinking this July 16 that went: "I will place at the center of nuclear policy the goal of complete abolition of nuclear weapons." In a campaign speech in Indiana, he heatedly

stated, "It is time for America to send a clear message that we will aim for a world where there are no nuclear weapons."

His statement could only come from a sense of alarm about how fearful it would be if terrorist groups got their hands on nuclear weapons. The Democratic Party that nominated him at its convention at the end of last month included that in its election promises.

Having just played a role in that party convention, U.S. House of Representatives Speaker Nancy Pelosi has come to Japan, and is now in Hiroshima. She is attending the G-8 Summit of Lower House Speakers that convenes on Sept. 2. This year, the seventh such event, is being hosted by Lower House Speaker Yohei Kono.

At the Toyako Summit of world leaders that was held in July, the main theme was global warming. If that is the case, I would like to bring up here another global crisis. The proposal came from Mr. Kono to choose Hiroshima as the sight to discuss "peace and disarmament." In the past, the eight countries represented here divided themselves into "Axis" countries of Germany, Japan, and Italy and "Allied" countries centered on the U.S. and Britain and fought a war. Now, their parliamentary speakers have assembled to lay wreathes at the monument in Hiroshima dedicated to atomic bomb victims, and tour the Peace Memorial Museum, where the bombings are vividly portrayed. The most noteworthy participant is no doubt Speaker Pelosi, who has come from the country that dropped the bombs.

Prior to 1963, the feeling in Hiroshima, which had made the atomic bombings its hell, was that the United States could not be forgiven and the tragedy could not be wiped away. However, the United States' thinking was that without using the bombs, Japan could not have been subjugated, the expectation being that in ending the war, there would be tragic resistance. There was also a feeling of resistance from Japan, which stressed the catastrophe of the bombings, tending to forget that it had been the aggressor in the war. Even in 1996, when the Atomic Bomb Dome (Peace Memorial) was recognized as a World Heritage, the U.S. was against the move.

Mr. Kono, who fully realizes the existence of such a situation, last year broached the idea to Speaker Pelosi first of all with the words, "If you were to come, it would be to Hiroshima." She replied that it would be a "good idea." Perhaps the Speaker's decisiveness was because she is a liberal, but Speaker Pelosi is the highest level U.S. politician to visit Hiroshima in the 63 postwar years.

Even John McCain, the Republican Party candidate for president, in May made a similar statement. He introduced former President Reagan's words, "Our dream is a day when there will be no nuclear weapons on this earth," and then stated, "This is my dream, too."

If such is the case, I would like to see the next president, whether it is Mr. Obama or Mr. McCain, make a visit to Hiroshima. In the message of aiming for a nuclear-weapon free world, there is no doubt such a spirit.

In fact, this July 2, President Bush, then on the way to the Toyako Summit, had this exchange with reporters: When asked, "There has been a proposal for the prime minister of Japan to visit Pearl Harbor in Hawaii, and for the U.S. president to visit Hiroshima," he answered, "I haven't given it any thought, but it is an interesting idea."

It is difficult for him to make the trip, given his remaining short stay in office, but Mr. Bush did make this significant remark: "Wipe the slate of the past clean, and turn to look to the future." This may have been lip-service, but if his friend (Koizumi) and he as a combination had continued, would it have been out of the question?

That reminds me, there has never been a prime minister who has visited Pearl Harbor. There seems to be a strong resistance to do so

within the Japanese government. In 1994, such a visit was considered when the Emperor visited the United States, but it never came about.

If the prime minister visits Pearl Harbor, the U.S. president, too, would find it easier to pay visits to Hiroshima and Nagasaki. If both leaders bowed their heads in reflection and then laid down memorial wreathes, it would take the form of a real reconciliation and friendship. The atomic bomb victims, too, would perhaps be somewhat buoyed up by the gesture.

What words would be used at Hiroshima by Mr. Obama, who captured peoples' hearts with his speeches that called for change and unity? What kind of emotions would be evoked by Mr. McCain, who suffered as a prisoner of war?

It may be said to be premature, but my interest in this has continued to climb.

(9) Defense Ministry seeks Guam base-construction costs in budgetary estimate to cover U.S. military buildup expenses with taxpayer money

AKAHATA (Top Play) (Full)
August 30, 2008

The Defense Ministry has earmarked for the first time outlays for constructing facilities in Guam for U.S. Marines in the budgetary estimate for next fiscal year that was formally decided yesterday. The ministry is about to pour taxpayers' money into a plan to reinforce the U.S. military's presence in Guam on the pretext of relocating U.S. Marines in Okinawa to Guam. It is unprecedented for a foreign government to bear the costs for construction of military base facilities in a territory belonging to the U.S.

Under an agreement reached between Japan and the U.S. (in April 2006) on the relocation of U.S. Marines in Okinawa to Guam, Japan agreed to (1) foot the bill for construction of such facilities as a headquarters (2.8 billion dollars or 324.8 billion yen, 116 yen to the dollar) from national coffers; and (2) commission private companies to build infrastructure facilities at the base, such as electricity and houses for Marines and their family members by disbursing government funds (3.29 billion dollars or 381.6 billion yen).

The Defense Ministry decided to propose some of the above two categories of expenses in its budgetary request for next fiscal year. The estimate also includes costs needed to construct a Guam relocation office (tentative name).

Regarding outlays for a plan to relocate Marines from Okinawa to Guam, the Defense Ministry included expenses for preliminary studies in its past budgets. But this is the first time for the ministry to seek actual construction costs. The ministry has said it will decide

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on a specific amount of money to pay through coordination with the U.S. military and in the process of compiling a budget.

Ministry also request costs for repairing GSDF choppers, with eye on Afghanistan

The Defense Ministry incorporated in its budget request expenses needed to upgrade the capability of the Ground Self-Defense Force's CH-47 transport helicopters, keeping in mind a strong request coming from the U.S. to dispatch CH-47 choppers to Afghanistan.

The Defense Ministry is eager to enhance its engine output so that the choppers can cope with a variety of environments, such as very high land, when they are used to transport troops overseas on a mission connected to international peacekeeping operations. The ministry plans to bulletproof the helicopter against attacks from the ground.

The slaying of aid worker Kazuya Ito in Afghanistan showed that the U.S.-led military operation has exacerbated the security situation

there. At such a time, the Defense Ministry has proposed budgetary allocations for a plan to dispatch GSDF troops to the ground of Afghanistan, and that is an extremely serious matter.

(10) Rate of contract price to target price at 99 PERCENT in more than 50 PERCENT of all projects during three years until fiscal 2007, showing no progress on ODA reform

TOKYO SHMBUN (Top Play) (Excerpts)
August 31, 2008

The rate of the winning bid price to the target price was over 99 PERCENT in more than 50 PERCENT of all non-reimbursable official development assistance (ODA) projects during the three years up until fiscal 2007. The rate of the contract price to the predetermined price has dropped recently as bid-rigging or bribery cases have been proactively exposed, but the Tokyo Shimbun has found that the rates in ODA-related projects remain high.

The Board of Audit has pointed out that the rates in ODA projects remain high, but signs of improvement are nowhere in sight. Recently, a former president of a Tokyo-based consulting firm and others were arrested on suspicion of violating the unfair competition prevention law (that incorporates a clause banning bribes to public servants of foreign countries) for bribery in connection with an ODA-financed project in Vietnam. The bidding system and ways to implement the system for ODA projects are now being questioned.

Of the grant aid projects during the three years up until fiscal 2007, the Foreign Ministry posted information on 457 projects related to highway construction, fisheries, and other affairs on its website by Aug. 31. The total amount of their estimated costs was approximately 524 billion yen.

Of the 316 cases in which the target price was announced, the winning-bid price was over 99 PERCENT of the predetermined price in 163 cases, with 72 cases in fiscal 2005, 41 cases in fiscal 2006, and 50 cases in fiscal 2007. There were 79 cases in which negotiated contracts were concluded as the amount of the bid tendered was higher than the predetermined price. This figure accounts for one-fourth of the total cases.

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Participating in these biddings were 1.8-2.7 companies on average. A total of 139 cases drew in only one bidder.

(11) Prime Minister's schedule, September 1

NIKKEI (Page 2) (Full)
September 2, 2008

07:49
Cabinet meeting on comprehensive disaster preparedness drill at the Kantei

08:30
Press conference. Then meeting of Emergency Disaster Countermeasures Headquarters.

11:20
Left Haneda Airport by MSDF's U4 plane.

12:34
Arrived at Kansai Airport.

13:01
Inspected joint drill by prefectures in the Kinki region carried out at Hama Industrial Park in Kishiwada City, Osaka.

13:24
Inspected disaster prevention drill on Chikiri Island, an artificial isle.

15:08

Left Kansai Airport y U4 plane.

16:10

Arrived at Haneda Airport.

16:44

Arrived at the official residence.

17:54

Met with Secretary General Aso, joined by Chief Cabinet Secretary Machimura. Machimura remained.

21:30

Press conference.

21:50

Met with Machimura, and Deputy Chief Cabinet Secretary Iwaki and Futahashi, joined by Deputy Chief Cabinet Secretary Shionoya.

22:28

Arrived at the official residence.

ZUMWALT